

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JUNE 17, 2016

#### CALL TO ORDER (A.)

Chairman Brandon Jones called the June 17, 2016, meeting to order at 10:00 a.m. The meeting was held at the Ramada Convention Center in the Madison Ballroom, 420 SE 6<sup>th</sup> Street, in Topeka, KS. Commissioners David Moses and Jan Kessinger were also present. Commissioner Dennis McKinney was absent. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of IT and Electronic Security Dennis Bachman, Security Manager Joe Herridge, Recording Secretary Chris Vega and other staff.

#### MOTION, APPROVE AMENDED AGENDA (B.)

There were three amendments to the agenda: deleted presentation to former Commissioner, Eileen King, (item E. on the agenda); added a monthly report from Kansas Crossing Casino (item 4.a. on the agenda); and added Confidential data relating to the financial affairs of lottery gaming facilities to the Executive Session (item L.3. on the agenda) . Commissioner Kessinger (Moses) moved to approve the amended agenda. Motion carried unanimously.

#### MOTION, APPROVE MAY 13, 2016 MEETING MINUTES (C.)

Commissioner Moses (Kessinger) moved to approve the minutes of the May 13, 2016 meeting. Motion carried unanimously.

#### MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Kessinger (Moses) moved to approve the consent agenda. Motion carried unanimously.

#### LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (F.1.)

Diane Giardine, General Manager, reported:

- May 2016 revenue numbers compared to May 2015:
  - Total gaming revenue down 13.00%
  - Total slot revenue down 16.74%
  - Table games revenue up 16.25%
- Past casino promotions and arena events:
  - Seniors Take 10
  - Amp'ed Up April Point Multiplier
  - Stay & Play hotel packages
  - Motorcoach trips

- May 18 – The Beach Boys
- May 18 – Fun in the Sun dream vacation giveaway started, with package given away on June 17, 2016
- Upcoming casino promotions and arena events:
  - August 12 – Mercy Me
  - August 19 – Pepe Aguilar
  - August 25 – Styx
  - October 7 – Make America Rock

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(F.2.)

Dan Ihm, General Manager, reported:

- May 2016 admissions were down 11% from May 2015.
- May 2016 revenue numbers compared to May 2015:
  - Total gaming revenue down 12.4%
  - Slot coin-in (handle) down 10%
  - Slot hold down .23 points
  - Table game drop down 4.7%
  - Table game hold down 1.8 points
  - Poker room revenue down 7.3%
- Past events at the Kansas Star Casino Arena:
  - June 9-11 – Legends in Concert
- Upcoming events at the Kansas Star Casino Events Center:
  - June 18 – Marauders Car Show
  - July 1-5 – Never Forget Mobile Exhibit
  - July 9 – The Dan Band
  - July 16 – Side Swipe Martial Arts
  - July 22 – Bellator MMA

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(F.3.)

Rick Skinner, General Manager, reported:

- May 2016 revenue numbers compared to May 2015:
  - Total gaming revenue was \$12.3 million, a decrease of \$1,200,000.00 or 9%
  - Table games revenue was \$1.6 million, a decrease of \$153,000.00 or 8.7%
  - Slot revenue was \$10.7 million, a decrease of \$1,000,000.00 or 9.1%
- The Kansas Speedway hosted the Mother's Day weekend NASCAR races on Friday and Saturday nights, May 6th and 7th.

- Throughout the month of May, Hollywood Casino offered point and entry multipliers, Memorial Day Weekend Bonus, direct mail, and weekly promotions.
- Road construction remains a challenge as the interchange between I-35 and I-435 southwest of the city continues to be difficult to maneuver, and now the exit from I-635S to I-70W is closed, adding to the congestion.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(F.4.)

John Frieden, Attorney for Kansas Crossing Casino, reported:

- Doug Fisher will be the General Manager for Kansas Crossing Casino and will be starting in that capacity on July 1, 2016. Mr. Fisher will be presenting the Kansas Crossing Casino monthly report.
- Progress on construction of Kansas Crossing Casino and Hampton Inn & Suites:
  - The perimeter foundation footings, column installations, interior plumbing and electrical rough-ins are in progress on the casino.
  - The interior and exterior foundation footings, plumbing and electrical rough-ins are completed, crushed stone cap has been installed at the building pad and vapor barrier installation is in progress on the Hampton Inn & Suites.
- Planned activities for Kansas Crossing Casino and Hampton Inn & Suites:
  - Complete perimeter foundation footings and column installations on casino.
  - Complete vapor barrier and welded wire fabric installations, begin concrete masonry and steel installations for stairwells and special structures, and begin wood framing on hotel.
- All reports indicate the 7-day compressive strength meets or exceeds the 28-day minimum compressive strength requirements outlined in the plans and specifications for Kansas Crossing Casino.

COMMISSION ITEMS –  
OLD BUSINESS;  
(G.1.)

Executive Director Brownlee presented to the commission the Final Approval of Change to K.A.R. 112-102-2. A roll call vote was needed for final approval. Chairman Jones, Commissioner Moses and

Commissioner Kessinger all voted yes in favor of final approval, there were zero votes against final approval.

COMMISSION ITEMS –  
NEW BUSINESS;  
(H.1.)

Executive Director Brownlee presented to the commission Penn Gaming's web access and social gaming requests.

MOTION

Commissioner Moses (Kessinger) moved to approve the staff recommendations from the Staff Agenda Memorandum. Motion passed unanimously.

PUBLIC COMMENTS  
(I.)

There were no public comments.

STAFF REPORTS  
(J.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of May 2016.

Executive Director Brownlee reported:

- Gaming Informatics has been sold to Kobetron, which is a company owned by the same company as GLI.
- In May 2016, Penn National Gaming was recognized by the Financial Crimes Enforcement Network for their contributions to a national fraud investigation.
- Kansas Star Casino is opening a new food venue on June 22, 2016, a bar and grill called Tin Lizard.
- The next commission meeting will be July 15, 2016 at 10:00 a.m. in Topeka.

DISCIPLINARY REVIEW  
PROCEEDINGS  
(K.)

Michelle Neis, Enforcement Attorney, reported on Disciplinary Review Board Matters. Ms. Neis reported that for this month, there were two hearings scheduled. Both were incidents stemming from Hollywood Casino. Cases were as follows:

- Aaron Wallace – 2016-3010, willing to serve ordered one-day suspension and settlement agreement to be presented to the commission at the July 2016 meeting.
- Aaron Bowlus – 2016-3009, ordered to serve a one-day suspension by DRB. Commission reviewed written evidence and respondent's statement and heard agency statement.

MOTION

Commissioner Kessinger (Jones) moved to approve the Disciplinary Review Board's order in KRGC case number 2016-3009. Commissioner Moses voted "no". Motion carried 2 to 1.

MOTION, EXECUTIVE  
SESSIONS  
(L.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege, (2) reviewing the list of confidential backgrounds for licensing and (3) confidential data relating to the financial affairs of lottery gaming facilities. Those included in the executive sessions were the commissioners, executive director, general counsel, director of admin, audit and finance, and the security manager. The total time for the executive sessions was anticipated to be forty minutes. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner Kessinger (Moses) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:06 a.m.

RECONVENE

The commission meeting returned to open session at 11:46 a.m. with all members present.

MOTION TO DENY,  
CONDITIONALLY  
APPROVE w/EXTENSION  
OF WORK PERMIT, DENY  
REQUEST FOR  
RECONSIDERATION,  
EXTEND CONDITIONAL  
APPROVAL AND APPROVE  
LICENSE APPLICATIONS  
(M.)

Commissioner Kessinger (Moses) moved to *deny* three license applications, *conditionally approve with extension of work permit* one license application, *deny* two requests for reconsideration, *extend the conditional approval until 09/30/2016* of one license application, and *approve* the remaining 117 license applications from the June 17, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN  
(N.)

Commissioner Kessinger (Moses) moved to adjourn. Motion carried unanimously. The meeting adjourned at 11:47 a.m.

SUBMITTED BY:

(Signature on file)

Jan Kessinger

Secretary

APPROVED BY:

(Signature on file)

Brandon Jones

Chairman